



8(a) Marketing Handbook

New Jersey District Office

And

Government Contracting Area I

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Introduction

This marketing guide has been written for firms recently certified in the U.S. Small Business Administration, Section 8(a) Program. The goal of this guide is to clarify how to identify opportunities for 8(a) prime contracts. It also provides information on subcontracting with large business prime contractors, teaming arrangements and the mentor-protégé programs.

The 8(a) Program is a business development program designed to help eligible small firms reach a point of self-sufficiency and competitive viability. Once in the 8(a) Program, firms are eligible for certain government contracting preferences as a means of business development.

Contrary to some claims, contracts are not “given” to select firms. 8(a) firms are required to self-market their capabilities to federal customers. 8(a) Program participants may receive business development assistance through financial, technical, and management assistance as well as through contract opportunity assistance.

Success in the 8(a) Program is determined by the same factors as in the commercial arena: careful planning, effective marketing, sound management, hard work, assertiveness, and technical competence. Doing business with the federal government requires that 8(a) contractors meet all the technical criteria of the buying agency, perform contracts at a fair market price, and deliver a quality product or service on time.

The 8(a) Program is best understood if it is viewed as a marketing tool that allows small disadvantaged businesses to get “a foot in the door” of the federal contracting arena. However, as valuable as the 8(a) Program is as a marketing tool, it is only a tool. In order to succeed in the 8(a) Program, the business owner must know how to identify contracting opportunities and how to effectively market to the federal agencies. Although the SBA or the buying agency may identify a firm for an 8(a) contract opportunity, the majority of 8(a) sole-source contracts that are awarded are the result of self-marketing.

The purpose of this guide is to teach 8(a) participants some of the self-marketing techniques that will promote success in the federal marketplace.

Chapter I

What is the 8(a) Program?

The 8(a) Program is SBA's effort to promote equal access for socially and economically disadvantaged individuals to participate in the business sector of the nation's economy. Socially and economically disadvantaged individuals represent a significant percentage of U.S. citizens yet account for a disproportionately small percentage of total U.S. business revenues. The program recognizes the historical lack of equal access that minorities and other disadvantaged individuals have had to the resources needed to develop their small businesses. The program assists 8(a) approved firms to participate in the business sector and to become independently competitive in the marketplace.

SBA may provide participating firms with procurement, marketing, financial, management or other technical assistance. SBA may also enter into prime contracts with departments and agencies of the U.S. government to provide goods and services and subcontract the actual performance on the contracts to 8(a) approved firms. To assist 8(a) firms to develop self-sufficiency and successfully compete in the commercial market, SBA also provides a series of marketing tools to help participants obtain the support of major businesses. However SBA does not guarantee any amount of 8(a) contract support.

SBA' s Responsibilities

SBA is responsible for providing you with assistance in obtaining access to 8(a) contract support. This is done several ways. The most important person to your firm during your term in the 8(a) program is your Business Development Specialist (BDS). He or she is responsible for assisting you in the development of your firm. Your BOS is assigned shortly after the District Office is informed of your approval into the program. Once your file is received from our Washington, DC office, and your signed Participation Agreement is received from you, the BDS will send you the SBA Form 1010C 8(a) Business Plan and will contact you to set up an orientation meeting with you at the SBA offices. During this first meeting, your BDS will review the 8(a) Program requirements and learn more about your firm and its capabilities. Once you have educated your BDS about your firm and its products and services, you will be able to discuss which government agencies purchase your products and services and where you should be marketing. Your BDS will provide you with a listing of government agencies and agency personnel for you to contact and set up marketing presentations. Your BDS will also give you a listing of government web sites for you to review and

will advise you about FedBizOpps and SBA's resource partners (Small Business Development Centers, Procurement Technical Assistance Centers, etc.).

When you have completed your business plan, submit it to your BOS for review and approval. If any problems or weak areas are found in your business plan, it will be returned to you with either questions or suggestions for improvement. Return the corrected plan promptly since your firm is not eligible to receive any 8(a) contract support until the plan is approved by SBA.

Once your firm's business plan is approved, if you have not already done so, you should discuss potential customer agencies with your BDS. As noted above, he or she will provide you with potential marketing leads. These will be discussed more fully in later chapters. Time and travel funds permitting, your BDS may be available to accompany you on marketing visits to local procuring agencies.

Your Responsibilities

Contrary to wide belief, contracts are not "given" to select firms. Success in the 8(a) Program is determined by the same factors as in the commercial arena: careful planning, effective marketing, sound management, hard work, assertiveness, and technical competence. Virtually all 8(a) contracts result from the self-marketing efforts of the 8(a) firm. While SBA will make every effort to assist you in your marketing efforts, there is no guarantee of contract support. Doing business with the federal government requires that 8(a) contractors meet all the technical criteria of the buying agency, perform contracts at a fair market price, and deliver a quality product or service on time.

When you identify a requirement through self-marketing, contact your BDS and request that a Requirements letter is sent on your behalf. The Requirements letter is sent by the SBA to the contracting agency, requesting the agency to set-aside the requirement on behalf of the 8(a) contractor who has self-marketed the requirement. Do not delay! The Requirements letter may be used to reserve the requirement for your company. Your company may not be the only 8(a) firm marketing a requirement. The agency will most likely honor the Requirements letter it receives first, all other things being equal. Be aware that if the requirement is already synopsisized in FedBizOpps, it's probably too late to make it 8(a), and if it's in FedBizOpps as a Small Business Set-Aside, SBA is prohibited from taking it for the 8(a) Program.

You can facilitate the sending of the Requirements letter by giving your BDS a draft letter with the necessary information about the requirement. For example: the name of the agency, a description of the requirement, the name and phone number of the agency procurement official, a technical point of contact, the anticipated North American Industry Classification System (NAICS) code, and a description of your self-marketing efforts. When the procuring agency receives the Requirements letter, it may then

arrange for a technical presentation, and subsequently offer the requirement to the 8(a) Program on your behalf.

You may also request your BDS to send a Search letter on your behalf to particular agencies. Search letters are more general, introduce your firm to the agency and ask them to identify potential contract opportunities for you. A Search letter should include a company brochure, a capability statement or other marketing materials in order to be effective.

Of utmost importance is to keep your BDS current with your marketing activities. Touch base often so he or she knows which agencies you are contacting. Your BDS can't help you if he or she doesn't know what you're doing!

Remember that in order to remain eligible for 8(a) contract support and other SBA assistance, you must keep your firm in good standing with all SBA rules and regulations. SBA is prohibited from awarding contracts to firms that are not current with the submission of annual financial statements. You must also submit in a timely manner all required reports and updates when requested by your BDS. Failure to maintain good standing not only prevents you from receiving contracts, but also can cause you to be terminated from the program. Your BDS can give you all needed information on reporting requirements.

Chapter II

Government Procurement Basics

The Procurement Process

The Federal Acquisition Regulation (FAR) is the primary set of rules that government agencies follow when purchasing goods and services. The FAR is published as Chapter 1 of title 48 of the Code of Federal Regulations (CFR) and can be consulted at many public libraries; most federal agency resource centers, and is on the Internet at <http://www.acquisition.gov>. Also, it is important to note that many agencies produce supplements to the FAR that address specific agency requirements. You should become familiar with but not intimidated by the rules.

The rules differ by industry. For instance, certain procurement requirements for technology-based industries are different from those in the construction industry. Trade associations are often experts in their respective industry-specific regulations and can be excellent resources.

Federal agencies are divided into many different offices. The program offices of an agency are responsible for initiating, developing, maintaining, and monitoring one or more of the various programs within that agency. In most cases, the procurement process begins when a program office of an agency determines that it needs a particular product or service.

The technical representative within a program office determines the specifications, the quantities required, and many times the type of contractor expertise necessary. Then the program manager submits a request to the agency's procurement office. The contracting officer in the procurement office, who is generally the only official authorized to expend federal funds, then coordinates with the technical representative (or program manager or item manager) and prepares a solicitation for the requirement. The solicitation is distributed to potential offerors, who submit quotations or proposals to the contracting officer. A contractor is then selected by the agency, based on price and/or technical competence and/or other factors.

Each buying activity has its own culture and it is in your best interest to try to understand that culture. In other words, you must determine who the decision-makers are in the offices that determine the need for your product or service. In sealed bid

procurements, the decision-makers are usually the contracting officers because award is based on price alone if the offeror is responsive and responsible.

However, in negotiated procurements where the award is based on more than price alone, the decision-makers may be the technical proponents, or item managers, or program managers, or other personnel, other than the contracting officer. It is these decision-makers who you must convince to acquire your product or service through the 8(a) Program. The process usually goes much smoother if the 8(a) firm is identified by the decision-maker in the program office before the request is sent to the agency's procurement office.

As you can imagine, there are many hoops through which the procurement request must pass and many people who must handle and authorize the paperwork before award can be made. Some procurement experts suggest that you learn to follow the paperwork trail at each buying activity to understand what can go wrong. If you know how and where disconnects may occur, you may be able to help untangle any snags in the process. Experience is the best teacher, but you may want to try to find out up front from the technical proponent or contracting officer (or whoever is more sensitive to your request, i.e. Small Business Specialist, contract specialist, etc.) just how the paperwork process works. Do not assume that everyone is willing to give you this kind of information and do not demand that they provide it to you—just try to find someone else who will explain the process. It is in your best interests to always try to have positive working relationships with everyone at the buying activity.

Methods of Procurement

Once the assigned contracting officer receives the procurement request, several key decisions are made. One of the decisions is whether or not the supplies or services are available from other government sources, such as Ability One, formally known as the Committee for Purchase From People Who Are Blind or Severely Disabled, GSA Schedules, and other agency schedules.

Simplified Acquisition Procedures

If the above contracting vehicles are not used, and the dollar value of the procurement is less than \$100,000, then Simplified Acquisition Procedures are used. Federal purchases above \$3,000 but under \$100,000 are reserved for small businesses unless there is no reasonable expectation that two or more small businesses will submit competitive offers. Agencies use simplified procedures that require fewer administrative details, lower approval levels and less documentation. Advertisement in FedBizOpps 15 days prior to the release of the solicitation is usually required for all procurements over \$25,000. However, for purchases between \$3,000 and \$100,000, the buying activity may use DSBS to identify 5 small businesses, at least one of which

is a women-owned small business and one of which is a small disadvantaged business, and need not advertise the procurement in FedBizOpps.

Requirements under \$3,000 are considered micro-purchases and can be awarded without obtaining competitive quotes if the charge card holder determines that the price is reasonable. These purchases are not reserved for small business and are not subject to the Buy American Act. Simplified acquisition procedures can be used to purchase commercial items and services valued up to \$5 million.

Charge Card Program

The Government charge card, called the SmartPay program, is used for small purchases up to \$25,000 and replaces other paper-intensive procedures. Certain agency employees, who may not be procurement officers, are delegated the authority to use the credit card to pay for goods and services. The SmartPay charge card may be used for commercial buys valued up to \$5 million. You should contact the Credit Card Program Coordinator at each activity and ask that person to forward the company's information to all the credit card holders at that activity when the activity will not provide a list of the individual credit card holders.

Sealed Bid Procurements

A sealed bid procurement is also known as an Invitation for Bid (IFB). Notices of IFBs (usually over \$25,000) are advertised in FedBizOpps. The technical specifications, delivery or completion dates, place and method of delivery, reports, tests, and any other items that may be required are included in the IFB. Contract clauses, terms, and conditions are set forth, such as the time and place where the bids will be publicly opened and recorded. Offerors submit sealed bids. The contract is awarded to the responsible and responsive low bidder. The time span for a sealed bid procurement is generally 90 to 120 days from the solicitation of bids to bid opening and contract award.

Negotiated Procurements

This method is used when a requirement lacks definite specifications or requires greater flexibility to determine the best technical approach. Negotiation allows the evaluation of different approaches and consideration of many other factors besides price when selecting a contractor. Negotiated procurements may be in the form of competitive proposals or in the form of a sole-source award. In a negotiated procurement, the government solicits responses through the issuance of a Request for Proposal (RFP), which is advertised in FedBizOpps. The award of a contract is made to the offeror with the best proposal based on both technical content and price, but not necessarily the

firm offering the lowest price. The time span for a negotiated procurement varies in accordance with the contract type and the complexity of the requirement.

Pre-bid or Pre-proposal Conferences

For select solicitations, these conferences are held after the solicitation has been issued but before offers are submitted. It may be used to brief prospective offerors about a complex or complicated acquisition.

Pre-award Surveys

These surveys are conducted when the contracting officer believes it is necessary to further evaluate a prospective offeror prior to contract award to ensure performance.

Consolidated Purchasing Programs and Schedule Programs

Another method of procurement is the Consolidated Purchasing Program or Schedule Program. Government agencies can more economically procure items and services through a centralized system of acquisitions. The following are examples of some items purchased this way: office supplies, petroleum products, perishable food supplies, information technology services, management services.

The General Services Administration (GSA), Federal Supply Schedule Program, allows agencies to order directly from suppliers. GSA issues competitive solicitations then awards contracts committing firms to provide supplies and services at stated prices for given periods of time, but without specifying quantities or delivery schedules. GSA publishes the information needed for other agencies to place delivery orders against the schedule contracts. Purchases range from information technology (IT) services, management consulting services, household goods forwarders, office supplies to furniture. You can find additional information on the GSA web site at www.gsa.gov or contact the GSA Business Service Center in New York, NY, 212-264-1234. GSA also buys architecture and engineering services, construction, and building maintenance services.

The Broad Information Technology Services (BITS) contract is a similar type of arrangement as the ITOP contract, but it was awarded and is administered by the Federal Aviation Authority (FAA). The services support the complete spectrum of administrative and operational IT related requirements of the FAA. The BITS contract can be used by all FAA and DOT organizations. Other non-DOT organizations will be considered on a case-by-case basis. BITS contractors are all small businesses and small disadvantaged businesses. Additional information can be found at <http://www.faa.gov/ara/asu530/bits/index.htm> .

See the web site for Government-Wide Massbuy technical services contracts for many different agencies, i.e. National Aeronautics and Space Administration, General Services Administration, Department of Commerce, Department of Transportation, Department of Defense, National Institute of Health, U.S. Air Force, and Department of Interior at <http://genesis.gsfc.nasa.gov/nasa/adpmass.htm>.

The Defense Logistics Agency (DLA), through its three Defense Supply Centers and its Defense Energy Support Center, buys food, clothing and textiles, construction supplies, military spare parts, medical items, and fuel for the United States Military.

Most of the large purchases for the Department of Veterans Affairs for automatic data processing, telecommunications, consulting services, medical center construction and architect/engineer services, grave markers, retail store and restaurant supplies are made by their National Acquisition Center in Hines, Illinois. The Denver Distribution Center procures hearing aids and accessories, orthopedic products and aids for the legally blind.

Types of Contracts

There are two basic types of contracts, fixed price and cost reimbursement.

Fixed Price Contracts

Fixed price contracts place the responsibility for costs and the risk of incurring a loss on the contractor. Firm fixed price contracts do not permit any adjustment on the basis of the contractor's costs during the performance of the contract. This type of contract is used in all sealed bid and some negotiated procurements. There are several variations of fixed price contracts that may include provisions for economic price adjustments, provisions for adjusting price based on performance, and provisions for adjusting the price after a specified initial period of deliveries or performance.

Cost Reimbursement Contracts

Cost reimbursement contracts provide for the payment of allowable costs incurred by the contractor, to the extent stated in the contract. The contract establishes a ceiling price, above which a contractor may not exceed without the approval of the contracting officer. Cost reimbursement contracts also have several variations that may include incentive provisions and cost sharing provisions. Cost sharing contracts are used in research contracts that have commercial applicability.

There are other contracts that do not fit neatly into the two main categories discussed above. Time and material contracts are contracts in which the prices for hourly wages

are fixed, but the hours are estimated. Letter contracts are preliminary contractual instruments that are used to authorize a contractor to begin work on an urgent requirement.

General Contract Provisions and Clauses

Besides specific instruction and descriptions, government contracts include many required clauses. These clauses vary depending on the product or service under contract and the type of contract. There may also be special clauses for specific contracting situations. Required and optional clauses are published in the FAR. Contract clauses prescribed by the FAR may be incorporated into the contract by reference.

Government Contracting Courses and Workshops

Your local Procurement Technical Assistance Center (Appendix A) offers training and assistance. Contact these resources to find out what is available. Also check the SBA web site (www.sba.gov) for the calendar of events by state to identify upcoming procurement conferences and workshops. Several free online courses are offered by the SBA to help prospective and existing entrepreneurs understand the basics about government contracts. These self-paced courses are easy to use and understand. They will take about 30 minutes to complete. You, however, can exit a course at any time. Because most of the courses offer audio explanations, it is recommended that your computer speakers be turned on.

Before entering a course, you will be prompted to complete an online registration form. The registration process is simple, asks only a couple of questions and will take less than a minute to complete.

Courses in this area include:

- [Business Opportunities: A Guide to Winning Federal Contracts](#)
- [INSIGHT: Guide to the 8\(a\) Business Development Program](#)
- [Government Contracting Workshop](#)

Click on the course or courses you are interested in.

Types of Small Business Procurements

8(a) Procurements

SBA 8(a) contracts are most often awarded on a sole-source basis to SBA certified 8(a) firms. However, competitions for certain 8(a) requirements must be conducted among eligible 8(a) companies. Contract awards that are expected to exceed \$5.5 million for

supply requirements and \$3.5 million for all others can now be competed among 8(a) companies only. The 8(a) contracting process will be discussed in detail in Chapter III.

HUBZone Procurements

The HUBZone Empowerment Contracting Program is designed to stimulate economic development and job creation in targeted urban and rural areas by providing contracting benefits to small businesses located in a “historically underutilized business zone” or HUBZone. For example, sole source awards to qualified HUBZone small businesses, HUBZone set-aside awards based on competition restricted to qualified HUBZone small businesses, or awards to qualified HUBZone small businesses through full and open competition after a price evaluation preference in favor of qualified HUBZone small businesses.

Potential applicants can determine if their company is located within a HUBZone by using a mapping system available at the SBA web site. The web site has other information including a program guide, a listing of participating agencies, frequently asked questions and an electronic application that may also be downloaded or submitted “on line”. To participate in the program, a small business’ principal office must be located in a HUBZone, 35% of the firm’ s workforce must reside within a HUBZone location, and the company must be owned and operated by U.S. citizens. To determine whether or not you are in a HUBZone, to find out where the HUBZones are located and to apply for certification, go to www.sba.gov/hubzone.

Small Business Set-Aside Procurements

A small business set-aside award is restricted to competition among small businesses. In order to set-aside a procurement for small business competition, the contracting officer must be reasonably assured that at least two or more small businesses, offering the products of small businesses, will submit a bid or offer with a fair and reasonable price. A HUBZone evaluation preference does not apply to a small business set-aside procurement.

Service-Disabled Veteran Owned Small Business Contracting Program.

On December 16, 2003, the Veterans Benefits Act of 2003 (VBA) was passed by Congress. Section 308 of the Act (Public Law 108-183), established a procurement program for Service-Disabled Veteran- Owned Small Business Concerns (SDVOSBC). This procurement program provides that Federal contracting officers may restrict competition to SDVOSBCs and an award a sole source or set-aside contract where certain criteria are met. The Small Business Administration has established the Service-Disabled Veteran-Owned Small Business Concern Program. This program establishes the criteria to be used in Federal contracting to determine service-disabled veteran status; business ownership and control requirements; guidelines for establishing

sole source and set-aside procurement opportunities; and protest and appeal procedures for SDVOSBC procurements.

Small Business Innovation Research (SBIR) Program

This is a three-phase award system that allows small businesses to propose innovative ideas that meet specific research and development needs of the federal contracting agencies. The program is for new high tech innovations and innovations that have been patented or have patents pending will not be considered. A small business concern for purposes of award of any funding agreement under the SBIR Program is one which, including its affiliates, has a number of employees not exceeding 500.

Phase I is a feasibility study to evaluate the scientific and technical merit of an idea. Awards are for periods of up to six months in amounts up to \$100,000. Phase II is to expand on the results of and further pursue the development of Phase I. Awards are for periods of up to two years in amounts up to \$750,000. During Phase I, the proposing firm must conduct a minimum of two-thirds of the research and/or analytical effort. During Phase II, the proposing firm must conduct a minimum of one-half of the research and/or analytical effort. Phase III is for the commercialization of the results of Phase II and requires the use of private sector or non-SBIR federal funding.

SBIR solicitations are specific Requests for Proposals released by the federal agencies participating in the program which may result in the award of Phase I SBIR funding agreements.

For additional information on SBIR, visit the web site at www.sba.gov/sbir/

Small Business Technology Transfer Research (STTR) Program

STTR is a program that expands public/private sector partnerships to include joint venture opportunities for small business and nonprofit research institutions. A specific percentage of federal R&D funding for five agencies are reserved for award to small business and nonprofit research institution partners. These agencies designate R&D topics and accept proposals. Following submission of proposals, agencies make STTR awards based on small business/nonprofit research institution qualification, degree of innovation, and future market potential. Small businesses that receive awards or grants then begin a three-phase program.

Phase I is the start-up phase. Awards of up to \$100,000 for approximately one year fund the exploration of the scientific, technical, and commercial feasibility of an idea or technology. Phase II awards of up to \$500,000, for as long as two years, expand Phase I results. During this period, the R&D work is performed and the developer begins to consider commercial potential. Only Phase I award winners are considered for Phase II. Phase III is the period during which Phase II innovation moves from the laboratory into

the marketplace. No STTR funds support this phase. The small business must find funding in the private sector or other non-STTR federal agency funding. For more information, see the SBA web site or call the Office of STTR at (202) 205-6450.

Chapter III

The 8(a) Contracting Process

The 8(a) contracting process is a valuable marketing vehicle for socially and economically disadvantaged small businesses to access the federal marketplace. To the uninitiated, contracting under the 8(a) Program may seem more complex than other methods. However, it is no more complicated than contracting under full and open competition through the sealed bid procurement process. Furthermore, it presents many advantages for the government over other methods of contracting.

Advantages to the Government

An important advantage for government procurement personnel in selecting the 8(a) contracting method is that the agency may choose a specific 8(a) contractor to fulfill its requirements. For sole-source requirements under the competitive thresholds (see Chapter II), the contracting agency can identify a company to perform a contract simply by naming that company in an offering letter to the SBA. This does not happen, of course, by magic. The 8(a) firm must have been self-marketing with the contracting agency or the contracting agency may have known about the 8(a) firm through a referral. For competitive 8(a) requirements, the contracting agency does not have quite as much latitude in choosing a contractor, although it can limit the competition to eligible 8(a) companies within a certain geographic area or participation stage.

Another advantage of the 8(a) contracting process is that the government can often get what it needs faster by contracting through the 8(a) Program. The process of formally advertising a requirement for full and open competition can take several months, since competitive requirements must be synopsisized in FedBizOpps and the resulting solicitation must be “open” on the street for a minimum of 30 days. 8(a) contracts can be finalized in a shorter period of time because there are no synopsis requirements (except for competitive 8(a) contracts) nor are contracting agencies required to allow 8(a) firms 30 days to respond to the solicitation.

Advantages to the 8(a) Contractor

The advantages to an 8(a) company are obvious—it can obtain federal contracts on a sole-source or limited competition basis in a relatively short period of time. If the contract is a sole source, the 8(a) firm does not have to bear the full costs associated with preparing a competitive proposal and participating in subsequent rounds of discussions with the contracting agency’s contracting officer. Also, when the buying agencies are aware of the advantages of the 8(a) process, and if they have had some good experiences with the 8(a) Program, other 8(a) firms should have a “foot in the door”.

The SBA plays a role in the beginning of the contracting process by verifying and approving the requirement for the 8(a) company. Once the requirement is in place, the 8(a) company and the federal agency deal directly with each other during negotiation of the contract and during performance of the contract. The following explains the contracting process after a requirement has been identified.

The SBA Requirements Letter

When you identify a requirement through self-marketing, contact your BDS to request that a Requirements letter be sent on your behalf. The Requirements letter is sent by the SBA to the contracting agency, requesting the agency to set-aside the requirement on behalf of the 8(a) contractor who has self-marketed the requirement.

As stated previously in Chapter I, the Requirements letter may be used to reserve the requirement for your company, but your company may not be the only 8(a) firm marketing the requirement. The agency will most likely honor the Requirements letter it receives first, all other things being equal.

If the requirement exceeds the 8(a) competition thresholds (generally, a contract award expected to exceed \$5.5 million with a manufacturing NAICS code, or \$3.5 million for all others), the SBA will request the contracting agency to set-aside the requirement to be competed among eligible 8(a) companies.

As explained in Chapter I, you can facilitate the sending of the Requirements letter by giving your BDS a draft letter with the necessary information about the requirement. For example: the name of the agency, a description of the requirement, the name and phone number of the agency procurement official, a technical point of contact, the anticipated NAICS code, and a description of your self-marketing efforts. When the procuring agency receives the Requirements letter, it may then arrange for a technical presentation, and subsequently offer the requirement to the 8(a) Program on your behalf. However, ultimately it is the agency's decision whether or not to acquire the supplies or services via the 8(a) Program.

The Offering Letter

The way to be more assured of contract award is to convince the contracting agency that you are the best company to perform on their requirement. Then they will offer the requirement to the 8(a) Program by sending a formal Offering letter to the SBA. (DOD will send a formal Offering letter when the requirement is over the simplified acquisition threshold of \$100,000. Civilian agencies will send a formal Offering letter on all sole-source requirements.)

An Offering letter can be either an open requirement or a directed requirement. An open requirement is an offering to the 8(a) Program without a recommendation for a specific 8(a) firm. A directed requirement is an offering to the SBA with a recommendation for a specific 8(a) company. Obviously, a directed requirement is better for your firm.

The following is some of the information that is included in the Offering letter.

- A description of the work to be performed or items to be delivered and a copy of the statement of work (if available).
- The estimated period of performance.
- The NAICS code that applies to the principle nature of the procurement.
- The contracting agency's current dollar estimate of the requirement, including options (if any). **This information will not be revealed to the 8(a) company.**
- Any special restrictions or geographical limitations on the requirement.
- The location of the work to be performed for construction and service requirements.
- Any special capabilities or disciplines needed for contract performance.
- The type of contract to be awarded—either fixed price or cost reimbursement.
- The procurement history, if any.
- The names and addresses of any small business contractors that have performed on the specific requirement during the previous 24 months.
- A statement that no solicitation for the requirement has been issued for a small business set-aside or small disadvantaged business set-aside. Also, a statement that no other public communication (such as a notice in FedBizOpps) has been made evidencing the contracting agency's clear intention to set-aside the requirement for small businesses or small disadvantaged businesses.
- Any applicable bonding requirements.
- Any other information that the procuring agency deems relevant or that the SBA requests.

SBA Verification and Acceptance Letter

Upon receipt of the contracting agency's Offering letter naming your company as the proposed 8(a) contractor, the SBA will determine the appropriateness of the requirement for the 8(a) Program. The SBA will further verify that the requirement will support your company in relation to business development and that your company is maintaining an appropriate mix of 8(a) and non-8(a) contracts.

If everything is acceptable, the SBA will notify you of the selection of your company. The SBA will also send a letter to the procuring agency accepting the requirement for the 8(a) Program and authorizing them to begin negotiations with you. The agency will then issue a Request for Proposal to you and you will begin the preparation of your technical and cost proposal.

Contract Award and Negotiation

After the SBA has notified you of the selection of your company for the requirement, you will then negotiate with the contracting agency. If you request, SBA will be a part of the negotiation. A meeting among you, the contracting officer and the program manager will be scheduled to discuss technical issues and to determine a fair market price for the requirement.

Partnership Agreements

To speed up the award process, the SBA has signed Partnership Agreements (PA's) with 25 Federal agencies allowing them to contract directly with certified 8(a) firms. (See Appendix C.) Under these PA's, SBA delegates the negotiation and award of the 8(a) contract to the procuring agency. For awards under simplified acquisition procedures, the agency selects an 8(a) firm and negotiates the requirement with the firm. At the conclusion of the negotiation, the agency notifies the SBA, and if SBA does not object within 2-5 working days, the award becomes effective.

For regular 8(a) contracts, the agency submits the offering letter to SBA and SBA has 2-5 working days to object to the firm requested in the offering letter. If SBA does not object, the agency may negotiate the requirement directly with the 8(a) firm without SBA involvement. However, if problems develop during the negotiation process, either party may request SBA's involvement.

Competitive 8(a) requirements are also awarded under the PA's and are advertised in FedBizOpps. At the conclusion of the negotiations, the agency will award the contract to the 8(a) firm and provide SBA with a copy of the contract documents and other data. The agency will also copy SBA on all modifications awarded under the contract. It is extremely important that you keep your BOS apprised of all aspects of the negotiations using the PA requirements.

Fair Market Price

The fair market price for an 8(a) contract will be determined by the agency offering the requirement to the SBA. If the requirement is a new procurement with no procurement history, the price will be derived from a price or cost analysis. The analysis may take into account current market conditions, commercial prices for similar products or services, or procurement data obtained from another federal agency. **The information in the government's' analysis will not be revealed to you by either the SBA or the contracting agency.**

If the requirement does have a procurement history, the fair market price will be based on recent award prices adjusted for differences in quantities, performance, times, plans, specifications, transportation costs, and other relevant factors. You can request a copy of the procurement history from the contracting officer. If you feel that the fair market price that was determined by the contracting agency is too low, you may request the SBA to protest the agency's estimate to the Secretary of the Department or head of the agency.

Contract Administration

When all technical and cost issues are settled during the negotiation stage, the contracting agency will prepare the contract and supporting documents. Some of the supporting contract documents are:

- A copy of the Offering letter from the agency.
- A copy of the SBA acceptance letter.
- The 8(a) company's technical and cost proposal.
- A memorandum of negotiations.
- The invoice and payment procedures.

The agency completes all documentation and forwards the completed contract and supporting documentation to you for contract execution. Upon request, the SBA will review the contract package, usually within ten days. Once the contracting agency and the 8(a) firm have signed the contract, the 8(a) firm can begin work on the requirement. An exception to this is if there is a specific contractual requirement stating that the 8(a) firm must first be provided with a formal notice to proceed. Then the 8(a) firm's performance cannot begin until the Contracting Officer issues such a notice. It is a good idea to communicate regularly with the Contracting Officer and technical personnel during the performance of the contract to minimize any problems or misunderstandings that might arise.

Chapter IV

Getting Ready to Market to Federal Government Agencies

Which Agencies Buy What You Sell, from Whom and for How Much?

The federal government is the largest buyer in the world, but where is the office or offices that buy what you sell? That's the first question you should be asking.

What Do Agencies Buy?

See Appendix C for a brief listing of the major federal agencies and what they buy.

Check the individual agency web sites for information. See www.firstgov.gov for links to all federal agencies to find out what each agency buys. Look for procurement forecasts as well as organization charts with names and phone numbers for points of contact. Each web site should list the Small Business Specialist(s) name(s) and telephone number(s), as well as the Freedom of Information Officer. Contact the Small Business Specialists at targeted installations to request pamphlets, guides, web sites, bidder's list applications, etc.

FedBizOpps at <http://fbo.gov> is the site that is the single point of entry for all federal government procurement opportunities. It lists solicitations over \$25,000.

The Procurement Technical Assistance Centers (PTACs) in New Jersey, offer workshops for small businesses to acquire a basic understanding of the federal government procurement process. Some locations also offer services such as matching a firm's capabilities with federal solicitations advertised in FedBizOpps, information on subcontracting opportunities, one-to-one technical assistance in completing bid packages and other paperwork, etc. For the PTAC in your area, see Appendix A.

The Government Wide Information Systems Division (GWISD), which is a part of the General Services Administration, operates the Federal Procurement Data System. The GWISD is a convenient, consolidated source of federal buying information. Business owners may ask GWISD for a list of all federal contracts over \$25,000 for civilian agencies and for DOD agencies, awarded in a specific industry. Only summary data is available below these dollar minimums. The request may cover a quarter or an entire year. The center can provide you with 42 different pieces of information including: contracting agency, contract number, purchasing or contracting office, date of award, principal place of performance, dollars obligated, and, principal product or service.

GWISD can also furnish socioeconomic data, the name and business location of the contractor, the method of procurement and other pertinent details. Any business owner interested in knowing which federal agency or department bought what, when, how much and from whom, may simply request such information from GWISD. GWISD charges a fee depending upon the volume of information sought. For more information, contact the Government Wide Information Systems Division, 7th and D Street, SW, Washington, DC 20407, (202) 401-1529 or (202) 401-7765, or visit the GSA web site at <http://www.fpds.gsa.gov>.

How Much Did the Agency Pay for It Last Time?

Identify some specific solicitations in FedBizOpps that you are interested in and request copies of the solicitations so that you can become familiar with the various sections, statements of work, clauses, etc. Then track these requirements through contract award. You can then request procurement history (names of bidders, awardees, and bid prices) from the Freedom of Information Officer at the installation that awarded the contract. Request the abstract of bidders for sealed bid procurements and the abstract of offers for negotiated procurements. The Small Business Specialists may also be able to provide some procurement history. You can also obtain some of this information from GWISD as discussed above.

Now you know how much the buying agency paid for that kind of product or service last time. It is important to know this information so that you will be able to structure your prices, if feasible, for a similar item or service. Buying installations will not award 8(a) contracts unless the price is a fair market price. You should know up front whether or not your price would be considered reasonable to the contracting officer.

Who Are Your Competitors?

The abstract of bids or offers also supplies the names of the firms that bid or offered proposals on the solicitation. It makes good business sense to find out as much as you can about your competitors. What's their bidding strategy? Are they bidding on and winning many contracts or are they concentrating on just a few. Are they 8(a) firms? Are they being awarded 8(a) contracts at agencies where you would like to do business? (Would it make sense for you to try to team or subcontract with them so that the agency (ies) can get to know you?) Why are their prices higher or lower than your prices? What do they subcontract out and/or perform in house?

If you are an unsuccessful offeror on a solicitation, it is important to request a debriefing with the contracting officer and technical officer to find out not only where your proposal was weak, but also where your competition is strong.

When Will the Agency Buy It Again?

Most agencies publish forecasts on their web sites. Forecasts are “wish lists” of proposed contract opportunities that may or may not come to fruition. Procurement history may be more reliable—if they’ve been buying it for years, they may continue to buy it. (Consider buying a customized computer run from GWIS, or doing a search of the CBD archives.) Determine the length of the incumbent’s contract, including options, to find out when it may be re-bid. Some service contracts have a 5-year base with four, 5-year options. But, basing future contracts on procurement history is no guarantee either, especially in this era of procurement reform in which contracts may be consolidated or bundled. You may want to try to identify knowledgeable officials at the buying activity and then ask for their opinions. But again, their information may be subject to change.

So what does all this mean? There are no guarantees. Much of what a buying agency buys depends on their budget. The way that a product or service is bought also varies. You must develop good rapport with buying agency officials and keep your “ear to the ground” in order to constantly gather procurement intelligence.

Gathering and Analyzing Intelligence

You must gather all kinds of information from many different sources as discussed above. Is there a market? How much was paid last time? Who are your competitors? Will it be bought again?

But what do you do with all this information once it’s gathered? You must then analyze it all and determine whether or not your company will be able to produce an acceptable product or deliver the required service for a fair market price in a timely manner. You must also consider whether or not your company can easily adhere to the government regulations or if it will cost you extra. You must determine the probability of a future requirement and whether or not your company should spend time marketing based on that probability.

One of the most important things that you have to do next is to try to think like the buying agency, and then ask and answer your own questions. If the buying agency is using a competitive procurement process, why should it consider using 8(a) procedures? Can you adequately show that your business is competent, capable and reasonably priced? Why is it in the buying agency’s best interests to contract with you?

If the buying agency is currently using 8(a) procedures, why should it contract with you and not some other 8(a) firm? Better service, better quality, better prices—all companies will promise that. Why is it in the buying agency’s best interests to

contract with you? For example, what is it that you can do to either solve the buying agency's problems, or prevent problems from occurring, or provide insight into problem solving more than any other firm. What do you bring to the table?

That's what you have to figure out from gathering and analyzing intelligence. Part of the intelligence that you need to gather may be available to you when you are marketing your firm and will be discussed below.

It is always better if you can answer these questions and convince the buying agency that it is in their best interests to contract with you, rather than taking an adversarial route. SBA Procurement Center Representatives do make 8(a) recommendations. If the 8(a) recommendations are rejected, the 8(a) Business Development Program personnel are able to submit appeals. However, if you can convince the buying agency to make a unilateral decision, the chances are that the whole process will go much more smoothly. If you convince the buying agency that it is their idea to contract with you, then they will be more likely to make it work well in a more positive environment.

Going to Market

Your 8(a) status is a marketing tool that allows you to get your foot in the door at buying agencies. But you must use the tool wisely. A key ingredient to successful marketing is laying out the proper groundwork for a marketing strategy. Since you do not have an unlimited marketing budget and personnel, you will have to decide which and how many agencies to target. Realistically, an 8(a) company can effectively market only three, four, or at most, five agencies. Which agencies you decide to market will depend on the factors discussed above.

Who to See

Small Business Specialists

Small Business Specialists, previously called Small and Disadvantaged Business Utilization Specialists or SADBUS, are employees of the buying agency and are located at federal contracting offices throughout the country. These specialists assist small businesses in marketing their products and services to the federal government. Small Business Specialists also give information and guidance on federal procurement procedures, how to get on a bidder's list, agency forecasts, procurement history and where both prime and subcontracting opportunities exist.

As a matter of courtesy and to make sure that you are given the amount of time necessary, you should always schedule your appointment with the Small Business Specialist. For the meeting, you should bring your promotional brochures discussed below, and any other materials that will contribute to the session. The Small Business Specialist will typically ask you: How long have you been in business? What is your

history of doing business with the government? In addition, the Small Business Specialist may ask for descriptive literature, facility or equipment lists and a capability statement.

Let the Small Business Specialist's office be one of your first steps in marketing to the federal government, but certainly not the last. The Small Business Specialist is the gatekeeper for the buying installation—they can let you in, or keep you out. Remember these people are employees of the buying agency and are part of and must operate within that agency's culture. Try your best to make a favorable impression on these specialists but don't think that is the beginning and end of your marketing efforts at that specific buying installation. Find out as much as you can about the kinds of projects and programs that are currently funded at the buying agency and the organizational offices, sometimes called Program Offices, set up to administer the projects and programs. Seek the names and phone numbers of the contracting and technical points of contact from the Small Business Specialist, so you can set up appointments to market your firm's capabilities directly to the Program Offices. You may not get all the information you need during your first meeting with the Small Business Specialist and it may take several calls and meetings before you are able to identify a program or Program Office that you can target.

Procurement Center Representatives

There may be a SBA Procurement Center Representative assigned to monitor the buying agency, either as a resident (stationed at the buying agency) or as a liaison (occasionally visits the buying agency). Contact the assigned Procurement Center Representative for the buying agencies that you have targeted to ask for specific information. You may be able to find who the decision-makers are from the SBA Procurement Center Representative. The Small Business Specialists and Procurement Center Representatives are there to assist you, but they are not your marketing representatives. You must perform marketing for your company in order to capitalize on your 8(a) certification.

The Decision-Makers

The whole point of your marketing efforts is to get to the decision-maker. The Small Business Specialist is usually not the decision-maker, but may be a catalyst. For sealed bid type requirements, the contracting officer may be the decision-maker. Usually, whenever a technical proposal is required, the decision-maker will be the technical person who evaluates, or is responsible for, the evaluation of technical proposals. In many cases the decision-maker will be the Program Manager. These are the people behind the gate who you want to meet.

In addition to finding out from the Small Business Specialist and the Procurement Center Representative who the decision-makers are, you may be able to find out who

they are from the buying agency's web site, which may include a telephone directory. You can also request an organization chart from the buying agency. Try the public communications office, if there is one. If not, call the general information number or Freedom of Information Officer and you may be referred to the correct department.

Some buying agencies have specific procedures for firms to market their products or services. Find out what these procedures are. Find out if there is a way for you to make a presentation of your company's expertise to a group of contracting officers or technical officials.

Once you identify the decision-makers, it is time to make appointments to meet with them. Just getting the appointment may involve several telephone calls or letters. The Contracting Officers, program managers and technical people are busy individuals who have many contractors trying to see them every day, so you may have to do a whole lot of selling just to get the chance to meet with them. When you finally do get that appointment, prepare yourself to make the best impression that you can.

Also try to find out if there are any professional organizations in which the decision-makers are active. Networking as a member of an organization may be an excellent way to keep your ear to the ground and to make contacts. The National Contract Management Association (NCMA) is a professional organization of acquisition personnel and has local chapters throughout the country. At some buying agencies, the contracting officers and specialists are very involved in this association. There may be other organizations that are more appropriate for you depending on the membership of the organization and your product or service. Technical people are usually not very active in NCMA, but may be active in other professional organizations. Large and small businesses participate in local chapters of national associations such as the Association of the US Army (AUSA), the Navy League of the US, the National Defense Industry Association, and the Air Force Association. The web site for the CECOM, Fort Monmouth Chapter of AUSA is <http://www.ausa-ft-mon.org/>. The web site for the TACOM-ARDEC, Picatinny Arsenal Chapter of AUSA is <http://www.pica-ausa.org/corpcorn.htm>. The link for the National Defense Industrial Association is <http://www.ndia.org>.

What to Bring with You

Before you begin to market, make a small investment for a well-prepared company brochure. A good brochure will convey a sense of professionalism in addition to describing your capabilities and experience. Someone should be able to capture the essence of your firm within 5-minutes by looking at your marketing brochure. The impression that your potential client gets from your marketing materials is the impression he or she will have of your company. Leave copies of your marketing brochure and business card with everyone you meet during your marketing efforts.

An effective set of marketing materials may include an equipment list, facility description, customer list, quality control systems, visual presentation materials, and a capability statement. The capability statement should include a description of the products or services that your firm offers, the Federal Product Supply Codes and NAICS codes applicable to your firm, a description of completed contracts, a company organization chart, and a list of customer references.

The cost of preparing and printing a marketing brochure can range from several hundred dollars for a one-page, single color brochure, to several thousand dollars for a multiple-page package with inserts and color pictures. Depending on your budget, you may want to prepare your promotional materials in-house, but make sure to proof read it carefully. For assistance with preparing your marketing brochures, you can contact the NJ Small Business Development Center in your area. (See Appendix B.) A professional-looking brochure alone will not get you contracts, but it is one of the necessary ingredients for effective marketing.

What to Say

You have several objectives when meeting the program managers and technical people. The first is to convince them that you have the capabilities to perform in your area of expertise, the second is to try to identify a contract opportunity, and the third is to listen and learn.

Equip yourself with all the necessary promotional materials (see above) and, if necessary, have some of your key employees with you. Convey as effectively as possible your company's expertise and how you think it may be used in that program.

According to C. Donald Schenk in an article entitled "Why Would I Buy From You?" if you and your employees don't know why people should buy from you, be assured that your customers haven't a clue either. Ask yourself what do you, your product, your service, or your business do for people that they can't get elsewhere? How are you better than your competitors?

Do you say, "We give our customers better value?" That's too nebulous, too vague. Do you say you provide better quality? That provides too little information. You must state specifically what you mean by better value, better quality or better service. For example, does better service mean you send three people on the job when your competitor sends only two people? What, in specifics, is different about your product or service that will make the difference to your customer? Is it your price, durability, your attention to your customer's needs? Do you demonstrate that by the questions you ask and the way you service the account?

You are there not only to market your company, but also to gather more intelligence. Listen to them. Let them talk. Find out about the funding situation and process. What

is going wrong with the Program that you may be able to fix? What are their problems that you may be able to solve? Tell them just enough about your solutions to spark their interests, but do not give it all away. Some 8(a) firms have offered too much information and have been disappointed to discover their own suggestions in the statements of work for competitive requirements. Learn to strike a balance with the people you are marketing so that you can learn about what is needed and they can learn about you.

The process of identifying an individual requirement or contract opportunity on which your company may be able to perform, begins when you have targeted a prospective agency, identified and met with the program and technical people, and have focused on a specific program at that agency. Plan on meeting with the program people on many occasions. It usually takes a lot of digging and scraping for information, making repeated telephone calls, and many meetings before you succeed in identifying a specific opportunity. This is where the pleasantly persistent individual prevails.

You may at times feel that you are not making any headway, but you have to continue if you want to succeed. Many of the same ingredients that have made your firm successful in marketing and selling in the private sector will make you successful in the federal marketplace. You just have to keep making those calls, arranging meetings and making presentations.

After focusing your marketing and selling efforts on a particular program for a while, you may get the opportunity to be considered for a requirement. It may take a while before you get that chance, but when you do, go for it!

One of the important things to keep in mind is that you must not only identify a contract opportunity, but you must identify it before it is formally advertised for procurement. As mentioned previously, once a requirement has been formally advertised, it will seldom be offered as an 8(a) procurement.

Since an 8(a) contract is a negotiated procurement, it will be important for you to not only sell your abilities to the program and technical people—you may also need to convince them that 8(a) is the right method of procurement. Some program managers, technical people and contracting officers are thoroughly sold on the 8(a) contracting process. Others may need some convincing. It is imperative for you to thoroughly understand the 8(a) contracting process and its advantages before and during your discussions with technical personnel. You may have to walk them through the 8(a) process and demonstrate to them the many advantages of the 8(a) program as discussed in Chapter III.

How to Say It

The following information was obtained from the Small Business Journal magazine online at www.TSBJ.com which provides free articles and resources for small businesses.

The first article, entitled “ Three Tips for More Powerful Presentations” by Mark Faust, states that speaking is a skill that is extremely critical to gaining credibility, persuading clients, leading a team and making more money. According to the author, platform style presenting cannot replace excellent speaking skills, but it can build consensus much quicker than traditional across the table presentations. Research suggests that facts presented when standing in front of a group, are 35% more likely to be believed, rather than when sitting across the table. The three tips involve your eyes, hands and feet:

- Prolonged eye contact is one of the most engaging tactics of speaking. Most speakers give half-second glances at various points of the audience. It is better to have one point, statement or question every three minutes, then step away from the platform and hold just two or three direct eye contact points for three to five seconds each. This technique connects you with the audience.
- Your appearance improves if you place your hands directly in front of your diaphragm, with your elbows bent at a 90-degree angle. A common power draining posture is of hands and arms drooping at the side. Use your hands for visual punctuation.
- Standing in one spot is boring for you and your audience. The effective use of body placement can actually help your audience remember your key points. But, don’ t move while making that key point, only from segues of one point to another. You can come back to the podium to check your notes or get a prop, but try to come back to that area only when you need to get something.

In an article entitled “ Gaining Influence with Honesty”, Mark Faust reports that body language must be congruent with your spoken language to avoid your prospect picking up (even subconsciously) that you are lying or unconfident about a statement made. Some things to be aware of that make you appear incongruent are:

- Touching or masking mouth with hands.
- Looking suddenly up and to the side.
- Sudden shift in posture.
- Forced clearing of the throat or cough.
- Increased self-touching hand rubbing, pulling or stroking of ears, nose or cheeks.

In “ Making the Call and Closing the Business: The Keys to an Effective Sales Call”, Melvin Gravely, II, provides the following tips to help individuals make more effective sales calls:

- Be yourself - remember selling is nothing more than directed conversation. Be sincere and don't change your personal style (unless it is offensive).
- Prepare ahead – know something about your prospect and their organization. Understand where and why your product or service may be of benefit. Know what you want from the call. Always have the objective of the call clear in your mind.
- Build rapport – arrive on time (not early or late), and thank the prospect for seeing you. Ask an open-ended question about the interviewer or the company because this will get the prospect talking and believing that you are interested in listening to issues.
- Generate interest – make a statement about why you are there and what your company provides. Mention the benefits to the prospect in your interest building statement. For example, “ The reason I asked to meet with you today is to introduce you to my company. We are a civil and structural engineering company. We are in the business of helping our clients by providing high quality engineering services at aggressive rates. I wanted to talk with you about the opportunity of doing work with your organization. How do you select your engineering consultants?” This should lead to a conversation about their selection process and may generate some questions about your company.
- Listen! This is the most underused area by inexperienced sales people. Ask open-ended questions and listen closely to the answers to find out what is important to the prospect. You can find out how decisions are made, what projects are coming soon, and uncover how your company could be of benefit. Remember that listening is not thinking about what you are going to say next while the prospect is speaking.
- Tie Needs to Benefits – now that you know what is needed (through listening), you are ready to talk about how you can help with the situation. Use the words of the prospect and tell him/her how your product or service will be a perfect solution. For example, “ You mentioned a need to lower your overall building maintenance costs. By using our Preferred Maintenance offering, you may be able to lower your building cleaning costs by as much as 15 percent.”
- Close the business – You know what the client needs. You know how your product or service can help the prospect meet their objectives. You were prepared. You listened and earned the right to ask for what you want. If there are no more issues outstanding, then ask for the business. Whatever your meeting objective was, ask for it now.
- Review and exit – review the items each of you agreed upon. Make sure any action items have dates assigned to them. Never leave the next contact entirely in the hands of the prospect. Always leave the door open for further conversation.

Test Run Your Presentation

Making effective marketing and sales calls and presentations are possible for anyone. Practice will make you feel more comfortable and confident. Practice with your employees and evaluate each other. Make sure that your presentation does not last too

long. When you schedule an appointment, you will probably be given a time frame. Make sure that you leave enough time to ask your questions and answer their questions.

Marketing Consultants

Some 8(a) companies retain marketing consultants to help with marketing to the federal government. The type of 8(a) firms that retain consultants tend to be larger, more established companies that have the resources to pay marketing consultants. Monthly retainer fees for marketing consultants and representatives may range from \$500 to \$2500 or more. On the low end, representatives may make marketing visits to one or two agencies and read bid boards at a particular military base. On the high end, marketing consultants may conduct extensive marketing research, assist a company in developing a marketing strategy, make marketing visits, and help with contract negotiation and documentation.

Under the SBA 8(a) regulations, limitations have been imposed on the use of contingency fees for marketing consultants. 8(a) companies now are prohibited from paying contingent fees unless the payment is made to a “ bona fide employee” or “ bona fide agency” as defined by the FAR. In addition, 8(a) firms are not allowed to pay a fee for assistance in obtaining a specific 8(a) contract if the fee is based on a percentage of the contract award in any way. The SBA requires annual reports on any fees paid by 8(a) firms to marketing consultants, along with copies of the consultant agreement.

Quite often a company new to the 8(a) Program and the federal contracting arena will want to give the responsibility of marketing to one or more representatives or consultants. While this may seem to be an easy solution, more often than not a company will benefit in the long run by developing its own marketing expertise. Even if you employ a marketing consultant, it is still important that you educate yourself and become familiar with the 8(a) marketing and contracting process.

If you do decide to use a marketing consultant, be careful in choosing one. Marketing consultants range from poor to excellent. Check the references of the consultant by calling the companies that he or she has represented. Ask the companies if the consultant produced results. Finally, if you do employ a consultant, prepare a written agreement that clearly states the terms and conditions of employment of the consultant. Also, be very clear on the SBA regulations that affect marketing agreements that include commissions and fees.

Some Insightful Quotes

“ It is virtually futile to expect to win a procurement without significant upfront marketing, relationship building, and intelligence gathering.” - Lloyd Mosemann, Senior Vice President for Corporate Development, SAIC

“ The key to success in today’ s Federal market is “ relationship sales.” Face time equals credibility.” - Chip Mather, Co-Founder, Acquisition Solutions, Inc.

“ Now more than ever, it is important to meet with your potential customers on a regular basis so that you can understand and support the changes in their priorities and organizations.” - Duane Andrews, Corporate Executive Vice President, SAIC

“ Companies that try to storm their way into an Agency with an argument about why they should be chosen, won’ t get anywhere. But if a firm can tell a buyer it understands the Agency’ s mission, it will get in every time.” - Ron Ross, President, COMPAQ Federal, LLC

“ Contractors seek to win customers by pitching their current and future offerings directly to the Program Managers who decide what to buy, rather than to Contracting Officers, who only execute purchases.” - Government Executive, December 2001

“ Seek out the Program Managers who know the “ ins and outs” of the organization’ s requirements.” - Robert Woods, President, Business Applications, ACS Government Solutions Group, Inc., former Commissioner, Federal Technology Service

“ If you’ re not tracking programs and the needs of Agency program managers, you’ re on your way out of business.” - Ron Ross, President, COMPAQ Federal LLC

“ ..schedules don’ t eliminate the need for face-to-face interaction. Far from a guaranteed source of revenues, schedule contracts merely give companies a “ license to hunt” for the business of customer Agencies.” - Jeffrey Bollentino, VP, Booz Allen & Hamilton

GSA Schedule “ multiple award contractors hoping to obtain task or delivery orders should keep in close contact with the ordering activity both through communication and through continuous marketing efforts, to enhance the possibility of obtaining opportunities.” Contract Management, February 2002

“ Companies chasing every piece of business will only be run ragged.” - Government Executive, December 2001

“ Companies have to learn to pick their battles carefully. Different playing fields require different strategies.” - Robert LaRose, President and CEO, Integic

Chapter V

E-Marketing

According to information on www.smallbusinessdepot.com, small businesses should consider using e-mail to target current and potential customers for the following reasons:

- You' ll save money. It costs an average of one dollar to send out each direct-mail piece. The same message sent e-mail costs 35 cents.
- You' ll get faster response rates. It takes 4 to 6 weeks to find out the results of a traditional direct-marketing campaign. It takes 3 days for initial results with e-mail and one week to get the final word.
- You' ll get a higher response rate. It' s easier to respond by e-mail than by phone or mail. Also you can more accurately target a specific group of people who really want your product or service.
- You' ll develop customer relationships. E-mail marketing allows you to develop customer lists that feature simple opt-out procedures and quick access to additional information, such as a link to your web site.

However, e-mail can be the most powerful—or the most deadly—form of marketing. The road to results may be full of pitfalls. If you decide to use e-mail marketing, make sure that you avoid the biggest e-mail marketing mistakes. Here' s what **not** to do:

- Do not expect an instant answer. Someone may be off-line or out of the office and that person will not get your message. If the message is urgent, make sure you phone.
- Do not send the message to the wrong person. This could possibly destroy customer relationships.
- Do not write a book. Keep your e-mail messages short and give the option of clicking on a hyperlink for further information, such as a link to your web site.
- Do not send frequent messages. Most people get more messages than they can read. If you constantly barrage customers with messages about your products and services, your message will be the first to be deleted.

Chapter VI

Subcontracting Opportunities

You may want to consider the opportunities available through subcontracting with a large business prime contractor. The experience gained as a subcontractor will assist you in responding to solicitations as a prime contractor. Furthermore, subcontracting itself can be a profitable experience and a growth opportunity for your firm.

Subcontracting opportunities for small businesses are expected to expand as prime contractors are under greater pressure to offer more services to the federal government and utilize more small firms as subcontractors.

The current regulations provide that for contracts that offer subcontracting opportunities and that are over \$550,000 for goods and services, or \$1,000,000 for construction, large business prime contractors must offer maximum practicable opportunity to small business concerns. Large business prime contractors must submit a subcontracting plan delineating how they will accomplish maximum practicable opportunity. The primes have goals for small disadvantaged business concerns, women-owned small business concerns, HUBZone small business concerns, and Veteran-Owned small business and Service-Disabled Veteran-Owned concerns. As an 8(a) firm, you automatically qualify as a small disadvantaged business.

If you are interested in subcontracting opportunities, the SBA offers a Subcontracting Directory, which lists numerous prime contractors for multiple agencies, through the SBA Government Contracting Home Page. Call the SBA Government Contracting Commercial Market Representative (CMR) in your area for a copy of the prime contractors in New England, New York and New Jersey. Visit the SUB-Net web site that allows large businesses to post solicitations for subcontracting opportunities. This can be accessed through the SBA Government Contracting Home Page. Also, agencies prepare procurement forecasts that may be helpful in identifying future subcontracting opportunities.

Identify which primes need what you have to offer and learn more about them. Get their capabilities brochures and annual reports. Gather information on the programs that they are working on and the procurement and technical people who are working the programs. Try to envision the primes' needs based on their programs and people. Determine their strengths and weaknesses and see where you can fit in. Most importantly, you must determine what talents you bring to the table in order to make the combined effort a win/win scenario, and why you are better suited for the primes than your competitors.

Develop your marketing strategy before calling the primes. Select the primes that you want to work with and are best suited for your company. You may want to consider some of the following reasons for targeting primes. They have existing contracts for which you want to be a subcontractor. They have existing contracts in agencies with which you want to work. They are the incumbent primes on re-compete efforts for which you want to be a subcontractor. They plan to compete for a requirement for which you want to be a subcontractor. You want to compete on an effort and could enhance your expertise by subcontracting to them, etc. Spend the time and effort to develop the marketing strategies suited to your firm's capabilities.

Now you are ready to contact the primes and to sell your company. Follow the same marketing techniques discussed earlier. Contact the Small Business Liaison Officer (SBLO) who is listed for each large business prime contractor with which you wish to do business and request an appointment to market your company.

Before accepting a subcontract, be sure you understand the terms and conditions of a subcontract. Be sure to ask:

- how you will receive compensation from the prime contractor;
- how much you can rely on the prime contractor for special tools, engineering advice, information on manufacturing methods, etc.; and,
- how quality control and inspection procedures will be applied to your subcontract.

Chapter VII

Teaming Arrangements

Teaming Arrangements

Teaming Arrangements or Contractor Team Arrangements are another tool that 8(a) firms can use to further develop their businesses and enable them to take on larger or more complex contracts than they might otherwise be able to perform.

The term “teaming arrangement” means an arrangement in which:

- Two or more companies form a partnership or joint venture to act as a potential prime contractor; or,
- A potential prime contractor agrees with one or more other companies to have those companies act as its subcontractors under a specified government contract.

Contractor team arrangements may be desirable from both a government and contractor standpoint in order to enable the companies involved to complement each other's unique capabilities; and, offer the government the best combination of performance, cost, and delivery for the system or product being acquired.

Contractor team arrangements are particularly appropriate in complex research and development acquisitions, but may be used in other appropriate acquisitions, including production and construction.

Joint Ventures

If approved by SBA, an 8(a) Participant may enter into a joint venture agreement with one or more other small business concerns, whether or not the other firms are 8(a) Participants, for the purpose of performing a specific 8(a) contract. A joint venture agreement is permissible only where an 8(a) concern lacks the necessary capacity to perform the contract on its own, and the agreement is fair and equitable and will be of substantial benefit to the 8(a) concern. However, where SBA concludes that an 8(a) concern brings very little to the joint venture relationship in terms of resources and expertise other than its 8(a) status, SBA will not approve the joint venture arrangement. It's best to discuss your plans to consider a joint venture for a particular 8(a) contract with your BOS early in the bidding process so your agreement is properly formulated.

Every joint venture agreement to perform an 8(a) contract, including those between approved mentors and protégés, must include provisions:

- Setting forth the purpose of the joint venture;
- Designating an 8(a) Participant as the managing venturer of the joint venture, and an employee of the managing venturer as the project manager responsible for performance of the 8(a) contract;
- Stating that not less than 51 percent of the net profits earned by the joint venture will be distributed to the 8(a) Participant(s);
- Providing for the establishment and administration of a special bank account in the name of the joint venture. This account must require the signature of all parties to the joint venture or designees for withdrawal purposes. All payments due the joint venture for performance on an 8(a) contract will be deposited in the special account; all expenses incurred under the contract will be paid from the account as well;
- Itemizing all major equipment, facilities, and other resources to be furnished by each party to the joint venture, with a detailed schedule of cost or value of each;
- Specifying the responsibilities of the parties with regard to contract performance, source of labor and negotiation of the 8(a) contract;
- Obligating all parties to the joint venture to ensure performance of the 8(a) contract and to complete performance despite the withdrawal of any member;
- Designating that accounting and other administrative records relating to the joint venture be kept in the office of the managing venturer, unless approval to keep them elsewhere is granted by the District Director or his/her designee upon written request;
- Requiring that the final original records be retained by the managing venturer upon completion of the 8(a) contract performed by the joint venture;
- Stating that quarterly financial statements showing cumulative contract receipts and expenditures (including salaries of the joint venture's principals) must be submitted to SBA not later than 45 days after each operating quarter of the joint venture; and,
- Stating that a project-end profit and loss statement, including a statement of final profit distribution, must be submitted to SBA no later than 90 days after completion of the contract.

For any 8(a) contract, including those between mentors and protégés, the joint venture must perform the applicable percentage of work required by SBA regulations, and the 8(a) partner(s) to the joint venture must perform a significant portion of the contract.

The 8(a) firm must submit its request for approval of a joint venture agreement prior to submitting its bid or proposal, SBA must approve the joint venture agreement prior to the award of an 8(a) contract on behalf of the joint venture. SBA must approve all amendments to the joint venture agreement. In addition, SBA may inspect the records of the joint venture without notice at any time deemed necessary.

The joint venture size issues are complex, so it is best that you discuss your individual situation with your BOS.

Chapter VIII

Mentor Protégé Programs

Mentor Protégé programs are another way to develop your firm and enable it to participate in the government-contracting arena. By choosing the right mentor and carefully developing the relationship you will be able to greatly expand your firm's capabilities. Following is information on both the SBA and DOD Mentor Protégé Programs.

The SBA Mentor/Protégé Program

SBA's mentor/protégé program is designed to encourage approved mentors to provide various forms of assistance to eligible 8(a) Participants. This assistance may include technical and/or management assistance; financial assistance in the form of equity investments and/or loans; subcontracts; and/or assistance in performing prime contracts with the Government in the form of joint venture arrangements. The purpose of the mentor/protégé relationship is to enhance the capabilities of the protégé and to improve its ability to successfully compete for contracts.

Mentors

Any concern that demonstrates a commitment and the ability to assist developing 8(a) Participants may act as a mentor and receive benefits as set forth in this section. This includes businesses that have graduated from the 8(a) Business Development Program, firms that are in the transitional stage of program participation, other small businesses, and large businesses.

In order to qualify as a mentor, a concern must demonstrate that it:

- Possesses favorable financial health, including profitability for at least the last two years;
- Possesses good character;
- Does not appear on the federal list of debarred or suspended contractors; and,
- Can impart value to a protégé firm due to lessons learned and practical experience gained because of the 8(a) Business Development Program, or through its general knowledge of government contracting.

Generally, a mentor will have no more than one protégé at a time. However, the Associate Administrator/8(a) Business Development may authorize a concern to mentor more than one protégé at a time. The former must demonstrate that the additional

mentor/protégé relationship will not adversely affect the development of either protégé firm (e.g., **the second firm cannot be a competitor of the first firm**).

In order to demonstrate its favorable financial health, a firm seeking to be a mentor must submit its federal tax returns for the last two years to SBA for review. Once approved, a mentor must annually certify that it continues to possess good character and a favorable financial position.

Protégés

In order to initially qualify as a protégé firm, an 8(a) Participant must:

- Be in the developmental stage of program participation;
- Have never received an 8(a) contract; or,
- Have a size that is less than half the size standard corresponding to its primary SIC/NAICS code.

Only 8(a) firms that are in good standing in the 8(a) Business Development Program (e.g., firms that do not have termination or suspension proceedings against them, and are up to date with all reporting requirements) may qualify as protégé. A protégé firm may have only one mentor at a time.

Benefits

A mentor and its protégé may joint venture as a small business for any government procurement, including 8(a) sole source contracts, provided both the mentor and the protégé qualify as small for the procurement. For purposes of 8(a) sole source requirements, the protégé cannot have reached the dollar limit set forth in Sec. 124.519. Notwithstanding the normal 8(a) eligibility requirements, in order to raise capital for the protégé firm, the mentor may own an equity interest of up to 40% in the protégé firm. Regardless of the mentor/protégé relationship, a protégé firm may qualify for other assistance as a small business, including SBA financial assistance. No determination of affiliation or control may be found between a protégé firm and its mentor based on the mentor/protégé agreement or any assistance provided pursuant to the agreement.

Written Agreement

The mentor and protégé firms must enter into a written agreement that sets forth an assessment of the protégé's needs and describes the assistance the mentor commits to provide to address those needs. For example, management and/or technical assistance, loans and/or equity investments, cooperation on joint venture projects, or subcontracts under prime contracts being performed by the mentor. The agreement must also

provide that the mentor will provide such assistance to the protégé firm for at least one year.

The written agreement must be approved by the Associate Administrator/8(a) Business Development. The agreement will not be approved if SBA determines that the assistance to be provided is not sufficient to promote any real developmental gains to the protégé. Nor will the agreement be approved if SBA determines that the agreement is merely a vehicle to enable a non-8(a) participant to receive 8(a) contracts. The agreement must provide that either the protégé or the mentor may terminate the agreement with 30 days advance notice to the other party to the mentor/protégé relationship and to SBA.

SBA will review the mentor/protégé relationship annually to determine whether to approve its continuation for another year. SBA must approve all changes to a mentor/protégé agreement in advance.

Evaluating the Mentor/Protégé Relationship

In its annual business plan update, the protégé must report to SBA for the protégé's preceding program year:

- All technical and/or management assistance provided by the mentor to the protégé;
- All loans to and/or equity investments made by the mentor in the protégé;
- All subcontracts awarded to the protégé by the mentor, and the value of each subcontract;
- All federal contracts awarded to the mentor/protégé relationship as a joint venture (designating each as an 8(a), small business set-aside, or unrestricted procurement), the value of each contract, and the percentage of the contract performed and the percentage of revenue accruing to each party to the joint venture; and,
- A narrative describing the success such assistance has had in addressing the developmental needs of the protégé and addressing any problems encountered.
- The protégé must annually certify to SBA whether there has been any change in the terms of the agreement.

SBA will review the protégé's report on the mentor/protégé relationship as part of its annual review of the firm's business plan. SBA may decide not to approve continuation of the agreement if it finds that:

- the mentor has not provided the assistance set forth in the mentor/protégé agreement; or,
- the assistance has not resulted in any material benefits or developmental gains to the protégé; or,
- if all of the objectives have been accomplished early.

The complete text of the applicable SBA regulations regarding Mentor Protégé agreements can be found in 13 CFR 124.520.

The DOD Mentor Protégé Program

The Mentor-Protégé Program was established by Public Law 101-510, the National Defense Authorization Act of 1991, as amended.

The program provides incentives to major prime contractors (mentors) to assist small disadvantaged business firms (protégés) in enhancing their technical and business capabilities. These enhanced capabilities will hopefully lead to increased small disadvantaged business participation as subcontractors in federal and commercial contracts and will foster the establishment of long-term business relationships.

Firms are eligible to be mentors if they are currently performing a contract with an approved subcontracting plan and are currently eligible for the award of federal contracts. Firms are eligible to be protégés if they are small disadvantaged business firms as defined by the Small Business Act and are currently eligible for the award of federal contracts. 8(a) firms are automatically certified as small disadvantaged business firms.

Mentors and protégés are required to execute a formal agreement that sets forth the type of developmental assistance that will be provided to the protégé and the type of support the protégé will provide to the mentor. The DOD must approve the agreement. The mentor is then eligible to be recompensed for assistance provided to the protégé by:

- Being reimbursed for the costs of the assistance provided, or,
- By receiving credit towards subcontracting goals, or,
- A combination of these two methods.

Under the original legislation, Mentor-Protégé agreements could run for a maximum of nine years. Under the new Mentor-Protégé legislation, new agreements are limited to three years. Either the mentor or protégé can terminate the agreement voluntarily or the mentor can terminate the agreement for cause. All Mentor-Protégé agreements must be finalized and approved by DOD by September 30, 2002. Mentor-Protégé agreements are now limited to \$1 million per year and the Defense Contract Management Command is tasked to conduct performance reviews on all agreements.

Over the past few years, the services have taken differing approaches in implementing the Mentor-Protégé program. For example, the Air Force now issues a Broad Agency Announcement twice a year, which asks for proposals that focus on specific thrust areas in specific NAICS Codes. Proposals are evaluated on the return on investment proposed (how much subcontracting the mentor will do with the protégé). Also

considered is whether the technical approach meets the developmental need of the protégé and whether the mentor proposes to use Historically Black Colleges and Universities/Minority Institutions as a part of the mentor-protégé team. The Army has implemented an 8(a) pilot program that encourages senior or graduating 8(a) firms to become mentors to new 8(a) firms by offering them reimbursement for the assistance they provide. The Navy's approach is linked to a specific program or contract currently being performed by the mentor, and allows the mentor to apply for reimbursement under that contract.

Mentors are authorized to receive reimbursement through September 30, 2005. The complete text of the applicable DOD regulations regarding the DOD Pilot Mentor Protégé Program can be found in DFARS 219.71.

Conclusions

Contracting under the 8(a) Program is different from other methods of contracting with the federal government. For the uninitiated, dealing with the different levels of the federal bureaucracy to get an 8(a) contract may seem an impossible task. But, marketing and contracting under the 8(a) Program can be learned and mastered. You must make a commitment of energy, effort, and time to target the contracting agencies, identify the decision-makers, market your company and identify contract opportunities.

In fact, on the average, it takes over a year after 8(a) certification to identify a first time 8(a) contract. Of course, that time frame is dependent upon the 8(a) firm's industry, the number of 8(a) firms in that industry, and the availability of federal contracts. Some 8(a) firms have complained that the SBA has done nothing for their companies. Those people should keep in mind that the 8(a) Program is only a tool—what a business owner does with it is up to him or her.

This handbook provides some of the basic instructions for that tool. It is not possible to cover all aspects of the 8(a) Program or all provisions of the law. The goal is to give business owners who are new to the 8(a) Program a simple and basic explanation of the 8(a) marketing and contracting processes.

The owners of successful 8(a) companies also understand the importance of reaching the government's decision-makers—the program managers and technical people involved in the programs that are of interest to the 8(a) firms. It is the government that decides whether or not it wants you to satisfy its requirements. You cannot make that decision for the government. You cannot demand an 8(a) contract. But, you can affect the way government personnel view you and your company. Always treat government contracting personnel, program managers, technical personnel, etc. with respect. Always be prepared to explain, with finite detail, the advantages of 8(a) contracting.

Finally, the most successful 8(a) companies have earned a good, if not excellent, reputation. These 8(a) companies were able to achieve their growth and prosperity through repetitive contracting with the same agencies. By consistently providing quality work that is delivered on time, an 8(a) contractor will earn and keep the good reputation that is crucial for consideration of work after graduation from the 8(a) Program.

Good luck!

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Appendix A

Procurement Technical Assistance Centers

New Jersey
Institute of Technology
Defense Procurement Technical Assistance Center (DPTAC)
323 Martin Luther King Blvd.
Fenster Hall, Room 490
Newark, NJ 07102
Point of Contact: Dolcey Chaplin
Phone: (973) 596-3105
FAX: (973) 596-5806

Union County Economic Development Corp.
Defense Procurement Technical Assistance Center (DPTAC)
Liberty Hall Corporate Center
1085 Morris Avenue, Suite 531
Union, NJ 07083
Point of Contact: Mary Ann Williams
Phone: (908) 527-1166
FAX: (908) 527-1207

Appendix B

A COMPLETE LISTING OF PARTNERSHIP AGREEMENTS BETWEEN SBA AND PARTICIPATING AGENCIES CAN BE FOUND BY CLICKING ON THE FOLLOWING WEBSITE:

http://www.sba.gov/aboutsba/sbaprograms/8abd/8ABD_EXEC_PARTNER_AGREEMENT.html

Appendix C

Major Federal Agencies

Consolidated Purchasing Programs. Most government agencies have common purchasing needs, i.e., carpeting, furniture, office machine maintenance, petroleum products and perishable food supplies are just a few examples. Sometimes the government can realize economies by centralizing the purchasing of certain types of products or services. The General Services Administration, the Defense Logistics Agency and the Department of Veterans Affairs administer the three largest inter-agency consolidated purchasing programs.

The General Services Administration (GSA) awards Federal Supply Schedule contracts that permit military and civilian agencies to order directly from suppliers. Purchases range from automated data and telecommunications systems to motel accommodations for government travelers to business and technical services. GSA also buys construction, architect and engineering services, and public building maintenance services.

The Defense Logistics Agency (DLA) manages and buys approximately two million general supply items for the military services. DLA purchases include food, clothing, textiles, medical and dental equipment and construction equipment.

The Department of Veterans Affairs (VA), through its Marketing Center in Hines, Illinois, contracts for such items as medical, dental and surgical supplies; drugs and chemicals; non perishable foods; prosthetic and orthopedic aids; medical, radiological and laundry equipment; and, uniforms and flags.

There are other offices throughout the government that consolidate the buying needs of customers throughout the nation and the world. Consult the individual agency web sites for information (see the Federal Acquisition Jumpstation at <http://nais.nasa.gov/fedproc/home.html>) and the Government-Wide Massbuy Contracts Homepage at <http://genesis.gsfc.nasa.gov/nasa/adpmass.htm>.

Major Federal Agencies. Each federal agency has its own unique mission and, therefore, has different purchasing needs. The following paragraphs discuss a few major categories of product and service requirements of the larger procuring agencies.

The Department of Defense (DOD), by far the largest procuring agency with approximately three-fourths of the contracting dollars spent in the federal government, spends most of its money on the acquisition and support of sophisticated military hardware systems. A very few of its unique purchasing requirements are as follows:

Army - engineering, construction and real estate programs for both U.S. and foreign governments, weapons and communications research, development, systems and support, infrared and microwave research, camouflage materials and new clothing requirements;

Air Force - aircraft, missiles and related weapons, support systems, spare parts, repair and maintenance, base support commodity and services;

Navy - management, consulting, engineering, development and production of missiles, shipbuilding, ship-chartering and ocean shipping services.

The Department of Energy procures energy-related research, development and engineering services by contract and assists both private and public institutions through grants and agreements.

The National Aeronautics and Space Administration (NASA) procures space-related research and development, space vehicles and related hardware and components.

The Department of Veterans Affairs (VA) procures hospital supplies, maintains and repairs medical and scientific equipment, designs and constructs for the VA medical centers and the national cemetery system.

The Department of Agriculture (USDA) procures farm equipment and supplies, planting services, soil sampling equipment and food commodities.

The Department of the Interior (DOI) contracts for National Park Service concessions, fish foods, oceanographic environmental studies, ecological investigation studies and construction of dams.

The Department of Health and Human Services (HHS) contracts for health-related services (food and drugs, research on mental health, the aging process, etc.). It also has a very active grant program for basic research and development in health delivery systems.

The Department of Transportation (DOT) procures air traffic control equipment, buoys, research and development on vehicle propulsion, vehicle safety and research and development studies on the design and construction of the nation's highway system.

The Tennessee Valley Authority (TVA) contracts for the operation of electrical power plants, construction of dams and locks, and the development and experimental production of fertilizers.

Appendix D

The Do's and Don'ts of Marketing to Federal Agencies and Large Business Prime Contractors

The Do's

- Make an appointment with the Small Business Specialist/Small Business Liaison Officer (SBS/SBLO) to introduce your firm. Don't just drop-in.
- Ask the SBS/SBLO for the names and phone numbers of other contracting and technical points of contact and make appointments with them to market your firm.
- At each marketing session, ask for the identity of other points of contact.
- Clearly identify your product or service.
- Stay focused – don't deviate.
- Market only what you are good at doing.
- Be honest about your capabilities.
- Tailor your marketing to each agency. Learn the programs. Learn the “jargon.”
- Provide capability statements and listings of successfully performed jobs.
- Prepare a “5 Minute Brochure.” Include references, pictures, be clear and precise.
- Present flawless handouts since they represent you and how you will perform.
- Develop memorable presentations. Tell your potential customers what you can do for them and why dealing with you is in their best interests. Why are you better than your competition? What do you bring to the table?
- Prepare 1 or 2 success stories to tell.
- Respond immediately to requests for more information. Your potential customer's priorities are your priorities.
- Follow-up. Follow-up. Follow-up...with all of your contacts on a regular basis.
- Always be pleasantly persistent and positive.

The Don'ts

- Don't be late for appointments. It demonstrates that your performance will be late. It sends a message that the person's time is unimportant to you.
- Don't be unreliable. If you are unreliable, your company is unreliable.
- Don't oversell yourself. Only sell what you are good at doing.
- Don't be unprepared.
- Don't drag out your presentations.
- Don't submit sloppy paperwork.
- Don't be demanding or difficult.
- Don't have unrealistic goals. Plan on building small successes.